U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
AUG 23 2001
CLERK, U.S. DISTRICT COURT
By ______ Deputy

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

MALACO INC., §
§
Plaintiff, §
§
v. §
§ CIVIL ACTION NO.
JOSEPH COOPER and DOROTHY § 3:00-CV-2648-P
COSTANZO, D/B/A GROUP HITMAKERS, §
INC. AND CLOSE UP PRODUCTIONS, §
§
Defendants. §

ENTERED
AUG 23 2001

ORDER

Now before the Court is Plaintiff's Motion for Preliminary Injunction, filed December 5, 2000, Plaintiff's Supplemental Brief in Support of Motion for Preliminary Injunction, filed January 16, 2001, and Defendant's Response,[1] filed May 23, 2001. This court granted Plaintiff's Motion for Preliminary Injunction as against Defendant Dorothy Costanzo only on March 2, 2001. At that time Defendant Joseph Cooper had not been served with the Complaint and Motions. Cooper was served on May 2, 2001 and a return of service was executed on May 3, 2001. On June 12, 2001, in an order denying Plaintiff's Motion for Entry of Default against Defendant Joseph Cooper, this court granted Cooper an additional period for responding to Plaintiff's Motion for Preliminary Injunction and directed Defendant to Federal Rule of Civil Procedure 56 for the correct forms of evidence to support his response to Plaintiff's motion. Since the June 12, 2001 order, Defendant Cooper has failed to provide any additional response to

[1]Defendant Joseph Cooper filed a document entitled "Respondent's Original Answer to Application for Damages and Preliminary and Permanent Injunction for Copyright Infringement" which the Court treats as Cooper's response to Plaintiff's Motion for Preliminary Injunction.

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Plaintiff's Motion for Preliminary Injunction, nor has Cooper submitted any evidence or summary-judgment type evidence in response to the motion. After reviewing Plaintiff's filings, Defendant's Response, and the applicable law, the Court GRANTS Plaintiff's Motion for Preliminary Injunction as set forth in this opinion.

I. BACKGROUND

This is a copyright infringement case. Plaintiff Malaco alleges the unauthorized marketing and sale by Defendants Joseph Cooper and Dorothy Costanzo of a musical video entitled "Johnnie Taylor Live at the Longhorn Ballroom." The video includes renditions of four musical compositions in which Malaco claims a copyright: "Wall to Wall," "Still Called the Blues," "Just Because," and "I'm Changing." Malaco evidently did not know at the time that this performance at the Longhorn Ballroom was videotaped, nor did they consent its taping.[2] Johnnie Taylor and Malaco were parties to an "Exclusive Recording Artist Agreement" from June 1, 1984 until Taylor's death on May 31, 2000.[3] The Agreement provides that Malaco will be sole owner of all master recordings and phonographs and shall have the exclusive rights to copyright such recordings, to use Taylor's name, portraits, pictures, and likeness in connection with the sale, lease, or disposition of merchandising rights.[4] The Agreement also provides that Malaco shall be the exclusive owner of all videos and all rights thereto, including copyrights.[5] The four musical compositions were published in the mid 1980's, when they were contained on musical albums which were registered with the Copyright Office.[6] Malaco also submitted separate registration applications and materials for each of the four songs on October 3, 2000 to the U.S. Copyright Office.[7]

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[2] *See* Pl's App. A at 3 (Deposition of Thomas J. Couch).

[3] *See* Pl's App. A1.

[4] *See* Pl's App. A1 §§ 7(a), 17.

[5] *See* Pl's App. A1 § 23.

[6] *See* Pl's App. B1, B2 (Certificates of Copyright Registration); Exh. A (Aff. of Rosetta Anderson).

Cooper tried to sell the video to Malaco, but Malaco refused.[8] Nor did Malaco grant a synchronization license to Cooper.[9] Defendants nevertheless began marketing and selling the video under the name "Group Hitmakers, Inc."[10] Malaco sent Joseph Cooper and Harold Cook (who defends Dorothy Costanzo in this action) a letter advising them that the videotape violated Malaco's musical composition copyrights, demanded that Defendants cease their infringement, and threatened suit.[11] Yet Defendants advertised the video in magazines in October and December 2000, the latter advertisement indicating retail outlets where the video could be purchased.[12] The advertisements offer cash rewards for reporting bootleggers of the video.[13]

II. DISCUSSION

A court may enter a preliminary injunction under section 502 of the Copyright Act[14] if the plaintiff demonstrates "(1) a substantial likelihood that the plaintiff will succeed on the merits; (2) a substantial threat that the denial of the injunction will result in irreparable harm to the plaintiff; (3) the threatened injury to the plaintiff outweighs any damage that the injunction may cause to the opposing party; and (4) the injunction will not disserve the public interest."

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7 *See* Pl's App. B3-B6.

8 *See* Pl's App. A.

9 *See* Pl's App. B.

10 *See* Pl's App. A2 (photocopy of videotape label listing Joseph Cooper as producer and Dorothy Costanzo as executive producer). Plaintiff supposes in its motion that "Group Hitmakers, Inc." is the name under which Defendants do business; Plaintiff represents that the Texas Secretary of State shows that there is no such corporation on record with that office.

11 *See* Pl's App. A5 (letter of Aug. 7, 2000).

12 *See* Pl's App. A3, A4.

13 *See* Pl's App. A3, A4.

14 Section 502 of the Copyright Act reads in pertinent part, the court may "grant temporary . . . injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a) (1996).

Kern River Gas Transmission v. Coastal Corp., 899 F.2d 1458, 1462 (5th Cir. 1990); *DSC Communications Corp. v. DGI Tech., Inc.*, 898 F.Supp. 1183, 1187 (N.D. Tex. 1995), *aff'd*, 81 F.3d 597 (5th Cir. 1996). These factors must be balanced to determine whether they collectively favor the issuance of an injunction. *DSC Communications Corp.*, 898 F.Supp. at 1187. A preliminary injunction is an extraordinary remedy, available only when the plaintiff has clearly carried his burden of proof as to all four elements. *Kern River Gas Transmission*, 899 F.2d at 1462. All four elements are mixed questions of law and fact. *Id.*; *DSC Communications Corp.*, 898 F.Supp. at 1187. A district court's determination on whether to issue a preliminary injunction will be reversed only upon a showing of an abuse of discretion. *Kern River Gas Transmission*, 899 F.2d at 1462. "Preliminary injunctions are a common judicial response to the imminent infringement of an apparently valid copyright." *Dallas Cowboys Cheerleaders v. Scoreboard Posters*, 600 F.2d 1184, 1187 (5th Cir. 1979).

A. LIKELIHOOD OF SUCCESS ON THE MERITS

To succeed in a claim of copyright infringement, the plaintiff must establish the following elements: (1) ownership of the copyrighted material and (2) copying by the defendant. *Computer Management Assistance Co. v. DeCastro*; *Alcatel USA, Inc. v. DGI Technologies, Inc.*, 166 F.3d 772, 790 (5th Cir. 1999).

1. Ownership

"Copyright ownership is shown by proof of originality and copyrightability in the work as a whole and by compliance with applicable statutory formalities." *DeCastro*, 220 F.3d at 400 (internal quotes omitted). When a certification of registration is obtained within five years of the first publication of a work, the registration is prima facie evidence of the validity of the copyright and the facts stated in the certificate. 17 U.S.C. § 410(c). This includes the originality and copyrightability requirements of 17 U.S.C. § 102(a). *See Edmark Industries v. South Asia Int'l*, 89 F.Supp.2d 840, 844 (E.D. Tex. 2000). The defendant carries the burden to rebut the presumption of validity. *Id., citing Donald Frederick Evans & Assoc., Inc. v. Continental Homes, Inc.*, 785 F.2d 897, 903 (11th Cir. 1986).

The songs in question were not published individually, but as part of albums.[15] According to the certificates, the album was not listed as a compilation or a derivative work, by which the court can infer, supported by Plaintiff's affidavit, that none of the four songs had been published prior to release on Malaco's albums.[16] The songs thus all appear to have been registered within five years of their initial publication. Even though the four songs were not listed separately on the copyright registration, they are still protected under copyright since the albums containing them were copyrighted, and the songs were previously unpublished. *See Szabo v. Errisson*, 68 F.3d 940, 943-44 (5th Cir. 1995). The Court need not consider Plaintiff's registration of the songs individually in late 2000. Defendant Cooper has failed to provide any evidence controverting the presumption of copyright validity and ownership.[17] Plaintiff's registrations with the Copyright Office entitle it to the presumption and Defendant has failed in his burden to rebut that presumption. Plaintiff is thus likely to succeed in proving ownership.

2. Copying

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[15] The song "Still Called the Blues" was first published on November 8, 1984 as part of the album "This is Your Night." Pl's App. A. The album was registered with the Copyright Office on November 16, 1984. Pl's App. B; Pl's App. B1 (Certificate of Copyright Registration). The songs "Wall to Wall," "Just Because," and "I'm Changing" were first published on November 17, 1985 as part of the "Wall to Wall" album. Pl's App. A. The album was registered May 23, 1986. Pl's App. B; Pl's App. B2.

[16] *See* Pl's App. B1-B2.

[17] In Defendant's response to Plaintiff's motion, Cooper does allege that he received permission from Taylor to tape the Longhorn Ballroom concert. Def.'s Orig. Ans. ¶ 3. However, Defendant has failed to provide any sworn or certified evidence supporting this allegation or otherwise disproving Plaintiff's ownership.

"'Copying' is a judicial shorthand for the infringement of any of a copyright owner's exclusive rights." *Playboy Enterprises, Inc. v. Webbworld*, 991 F.Supp. 543, 550 (N.D.Tex. 1997). These exclusive rights are set forth in 17 U.S.C. § 106,[18] and include reproducing the work in copies or phonorecords, preparing derivative works from the copyrighted work, distributing copies or phonorecords of the copyrighted work to the public by sale, rent, lease, or lending, performing the work publicly, and displaying the work publicly. Defendants' videotaping and marketing of the videotape copies appears to violate at least one if not all these rights. Plaintiff has established a likelihood of success on the merits of this case.

B. IRREPARABLE HARM

Plaintiff must show a substantial threat that the denial of the injunction will result in irreparable harm to the Plaintiff. *See Coastal Corp.*, 899 F.2d at 1462; *Lakedreams v. Taylor*, 932 F.2d 1103, 1109 (5th Cir. 1991). The *Lakedreams* court found that when economic rights are especially difficult to calculate, a finding of irreparable harm may be appropriate. *Id.* at 1109; *Allied Marketing Group v. CDL Marketing*, 878 F.2d 806, 810 n.1 (5th Cir. 1989) (upholding finding of irreparable harm to plaintiff's goodwill stemming from confusion with the alleged infringer, since damages might be incapable of calculation); *Mississippi Power & Light Co. v. United Gas Pipe Line Co.*, 629-30 & n.12 (5th Cir. 1985) (finding an injury is not irreparable if it can be undone through monetary remedies, except where calculating economic damages is especially difficult or speculative).

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Subject to sections 107 through 121, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

17 U.S.C. § 106 (2000).

In this case, Plaintiff contends that consumers who buy Defendants' video will not likely also buy Plaintiff's video, destroying the marketability and value of Plaintiff's goods. This argument does not necessarily indicate that damages could not be calculated. Plaintiff also argues that it will not likely be able to collect from Defendants the profits from the sale of the videotapes "given the illegal conduct in which Defendants have engaged." Pl's Supp. Brief at 12. Plaintiff does not specify how Defendants' conduct prevents Plaintiff from collecting money damages. However, the Court observes Defendants' offered reward for bootleggers of the tape, and concludes that these offers could damage Plaintiff's reputation, resulting in damages which are not easily calculated, justifying a finding of irreparable harm. *See Lakedreams*, 932 F.2d at 1109. Defendants' reward offer implies that Plaintiff's evidently genuine work is not legitimate, while Defendants' evidently bootlegged video is legitimate. Potential purchasers of Johnnie Taylor videos could be less likely to purchase Plaintiff's video based on Defendants' representations, though such damage cannot readily be calculated. Further, Defendants' implication damages the reputation of Malaco and impairs Malaco's goodwill, as potential purchasers would at best be confused as to which company markets the legitimate video. *See CDL Marketing*, 878 F.2d at 810 n.1. Plaintiff has shown a substantial threat of irreparable harm.

C. BALANCE OF HARDSHIPS

The Court must determine whether the harm to the Plaintiff outweighs the harm to the Defendants. The Court has already found a substantial likelihood of irreparable harm to Plaintiff. Defendant Cooper has failed to indicate what damage he would suffer, including any appreciable effect on Defendant's business. *See Lakedreams*, 932 F.2d at 1109. Since it is likely that Plaintiff would succeed on the merits of this case and that Defendants have no right to market the tape they are marketing, the harm to Plaintiff would appear to outweigh any damage to Defendants from the injunction. *See Lakedreams*, 932 F.2d at 1110 (relying in part on the finding of plaintiff's likelihood of success). The Defendants efforts to secure a video synchronization license support the conclusion that Defendants have no right to market the Johnnie Taylor tape.

D. PUBLIC INTEREST

Plaintiff must show that the injunction will not disserve the public interest. The Court notes that the public's interest in competition in the market may be outweighed by its interest in preserving rights provided by the federal copyright law. *See Lakedreams*, 932 F.2d at 1110, *citing CDL Marketing*, 878 F.2d at 810 n.1. The Court finds the evidently blatant copyright infringement engaged in by Defendants, at the expense of the copyright owner, should be discouraged. Further, given the Plaintiff's likelihood of success on the merits, ending any public confusion over which company markets the legitimate videotape would further serve the public interest.

III. CONCLUSION

Having satisfied all prerequisites necessary to prove itself entitled to injunctive relief on the issue of copyright infringement, the Court finds that the Plaintiff is entitled, until further order of the Court and pending further hearing of this cause, to a preliminary injunction against Defendant Cooper d/b/a Group Hitmakers, Inc., as set forth below so that Plaintiff's rights may be preserved and in order to prevent irreparable injury to the Plaintiff pending final judgment in this action.

Accordingly, it is ORDERED that Defendant Joseph Cooper, d/b/a Group Hitmakers, Inc. and Group Hitmakers, Inc.'s officers, agents, servants, employees, attorneys and those persons in active concert or participation with Defendant Cooper who receive actual notice of this Order and its contents are hereby ENJOINED from marketing, selling, offering for sale, licensing, distributing, or otherwise publishing or causing to be published that certain musical video entitled "Johnnie Taylor Live at the Longhorn Ballroom." The Court declines to impound the copies of the videotape in question.

So ORDERED, this 22nd day of August, 2001.

Jorge A. Solis
JORGE A. SOLIS
UNITED STATES DISTRICT JUDGE